

## BuildUp Capital LLC Part 2A of Form ADV Brochure

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This disclosure brochure provides information about the qualifications and business practices of BuildUp Capital LLC. If you have any questions about the contents of this disclosure brochure, please contact Jasmin Sethi at (657) 210-0250 or [buildupcntc@gmail.com](mailto:buildupcntc@gmail.com). The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about BuildUp Capital LLC is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information by searching for BuildUp Capital LLC or our firm's CRD number: 306205.

Being registered as an Investment Adviser with the SEC does not imply a certain level of skill or training.

## Item 2. Material Changes

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on October 31, so you will receive a summary of any material change to this brochure within one hundred twenty days following the close of the firm's fiscal year. At that time, we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## Item 4. Advisory Business

BuildUp Capital LLC is an investment adviser registered with the Securities and Exchange Commission and is a Partnership formed under the laws of the State of New York.

- Jasmin Sethi is Chief Executive Officer and Founder, and Mark Roszak is Co-Founder and Head of Business Development of BuildUp Capital LLC. Full details of their education, business background, and other credentials are provided in *Item 19* of this Disclosure Brochure.
- BuildUp Capital LLC filed its initial application to become registered as an investment adviser in October 2019.

### Introduction

BuildUp Capital (“BuildUp”) is a mobile-based investment advice application. BuildUp will not manage funds at this time. It will only review bank account data and provide clients with advice about how much to contribute to their retirement account, suggest which IRA account might be most suitable for their needs given their employment status, provide a suggested portfolio allocation, and teach clients how their money could grow over time if they take the advice of BuildUp. No assets will be held in custody. BuildUp will not provide brokerage at this time. Portfolio allocations will be generated based on an algorithm that generates an allocation of 4-5 low-cost and diversified ETFs based on information from the client regarding income, debt, and risk. BuildUp is a robo-adviser and the only way to interact with BuildUp is via mobile device. Customer support will be provided for technical assistance but no personalized human advice will be provided.

## Item 5. Fees and Compensation Arrangements

### Subscription Fees

BuildUp will provide investment advice services to its investors for a flat subscription fee. Each user will be charged a fixed rate fee monthly for the BuildUp service. Subscription fees are not negotiable. These fees will range from \$2-\$5 per month. The client will separately have to establish their own brokerage account in order to implement BuildUp’s advice.

BuildUp’s subscription fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment managers and other third parties such as fees charged by managers, custodial fees, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Clients will choose their own broker and are responsible for reviewing the fees listed above themselves.

Fees will be charged via a credit card just as a client would pay for any other application in the Apple Store.

## Item 6. Performance-Based Fees and Side-By-Side Management

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in a client's Account.

## Item 7. Types of Clients

BuildUp generally provides investment advice to the following types of clients:

- Individuals; and
- High net worth individuals.

BuildUp does not require any minimum balance for clients to receive our advice. We reserve the right to waive or reduce certain fees based on unique individual circumstances, special arrangements or preexisting relationships. We may also decline our services to a prospective client for any non-discriminatory reason.

## Item 8. Methods of Analysis, Investment Strategies, and Risk of Loss

### Methods of Analysis

BuildUp's technology utilizes risk questionnaires to determine clients' level of risk tolerance and generates an investment portfolio. To use BuildUp's services, clients inform BuildUp of a client's financial goals and personal information through BuildUp's mobile application. The questions can include:

- Age;
- Financial situation and needs: annual income and liquid net worth;
- Investment objectives;
- Investment time horizon; and
- Risk tolerance.

### Investment Strategies

BuildUp's algorithm then recommends a model portfolio. A client can choose to accept this portfolio or go back through the application to generate an alternative portfolio. The ETFs made available through the portfolio represent broad holdings of stocks and bonds and generally replicate an asset class or indexes like the S&P 500. The portfolios represent different strategies (e.g., conservative, moderately conservative, moderate, moderately aggressive, and aggressive). Quantitative and qualitative factors in determining ETF selection will be utilized. These may include, Morningstar rating, expense ratio, performance, volatility, and liquidity. No single factor will determine whether an ETF should be added, retained, or eliminated; however, certain factors may carry more weight than others in the final analysis.

Clients should consider that BuildUp is not designed to provide clients with a comprehensive financial plan and instead is built to advise clients on how to achieve discrete financial goals, e.g., retirement planning. BuildUp's recommendations are highly dependent on receiving accurate information from clients.

#### Risk of Loss

Past performance is not indicative of future results. Purchasing investment products, including those outlined in this document, involves risk. BuildUp portfolios consist of ETF products. The ETF market can fluctuate substantially over time with changes in the economy and demand for particular products or services. The client should be aware that the purchase of securities involves the possibility of financial loss, including the loss of their original investment. Some investment instruments may have greater inherent risks than others.

ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that to the extent they invest in ETF securities they will pay two levels of compensation - fees charged by BuildUp, plus any management fees charged by the issuer of the ETF. This scenario may cause a higher cost (and potentially lower investment returns) than if the client purchased the ETF directly.

An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect the client's portfolio performance or an index benchmark comparison. Expenses of the fund may include investment adviser management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary.

## Item 9. Disciplinary Information

*Item 9* is not applicable to this Disclosure Brochure because BuildUp has no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

## Item 10. Other Financial Industry Activities and Affiliations

BuildUp does not participate in other financial industry activities or have industry affiliations.

## Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading

An investment adviser is considered a fiduciary and has a fiduciary duty to all clients. BuildUp has established a Code of Ethics to comply with the requirements of the securities laws and regulations that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. BuildUp will provide a copy of its Code of Ethics to any client or prospective client upon request.

Certain related persons may hold interests in securities that are ultimately recommended to a client. This could present a conflict of interest if such a person controls or directs a client's investment. Currently, BuildUp has no access to trade for clients.

BuildUp has no access to non-public information and would not trade on such information as a matter of personal ethics.

BuildUp does not buy or sell securities for clients' accounts.

## Item 12. Brokerage Practices

Clients are under no obligation to act on the financial investment recommendations or investment consulting recommendations of BuildUp. The client will open an account with a broker of their choice when they start working with BuildUp. It is up to the client how to implement the advice of BuildUp.

BuildUp does not connect to any broker at this time and has no information to offer to clients about brokerage execution or fees. It is the client's responsibility to select their own broker.

## Item 13. Review of Accounts

BuildUp will review client accounts to ensure a client's investment profile or circumstances have not changed. If the client circumstances have changed, the model portfolio may no longer be suitable for a particular client.

## Item 14. Client Referrals and Other Compensation

The only compensation received from advisory services is the fees charged for providing investment advisory services as described in *Item 5* of this Disclosure Brochure. BuildUp receives no other forms of compensation in connection with providing investment advice.

BuildUp will reward investors. Investors who "refer a friend" will receive a discount to fees. The friends they recruit will receive a similar reward.

## Item 15. Custody

BuildUp will not have custody of any client funds. BuildUp does not have custody over clients' securities. Custody, as it applies to investment advisers, has been defined by regulators as having access to control over client funds. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

BuildUp will not provide account statements to clients. Account statements will be provided by whichever broker the client selects to implement their investment strategy.

## Item 16. Investment Discretion

BuildUp does not accept discretionary authority to manage securities accounts on behalf of its clients.

## Item 17. Voting Client Securities

BuildUp does not vote proxies on behalf of its clients. Therefore, it is the client's responsibility to vote all proxies for securities held in their Account. The client will receive proxies directly from the qualified custodian or transfer agent; we will not provide clients with the proxies.

## Item 18. Financial Information

*Item 18* is not applicable to this Disclosure Brochure. BuildUp does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we



are not required to include a balance sheet for the most recent fiscal year. BuildUp is not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. BuildUp has not been the subject of a bankruptcy petition at any time.

## Item 19. Requirements for State-Registered Advisers

We are a federally registered investment adviser.

## Item 20. Qualifications of Control Persons

CEO, COO, CCO, and Founder

**Jasmin Sethi**

*Educational Background*

- J.D., Harvard Law School
- Ph.D. in Economics, Harvard University
- M.Sc. in Economics, London School of Economics and Political Science
- B.A. in Applied Mathematics and Economics, Harvard College

*Professional Experience*

- Independent Consultant, *Sethi Clarity Advisers*
- Vice President, Legal & Compliance, *BlackRock*
- Special Counsel, *U.S. Securities and Exchange Commission*

Co-Found and Head of Business Development

**Mark Roszak**

*Educational Background*

- LL.M., in Securities and Financial Regulation, Georgetown University Law Center
- J.D., Loyola University Chicago School of Law
- B.A., in Economics, Michigan State University

*Professional Experience*

- Regulatory and Compliance Counsel, *Atrium*
- Associate, *K&L Gates LLP*
- Regulatory Analyst, *Financial Industry Regulatory Authority (FINRA)*

*Certifications*

- Series 66 – Uniform Combined State Law Exam, *FINRA*, August 2017
- Series 7 – General Securities Representative, *FINRA*, July 2017

## Item 21. Customer Privacy Policy Notice

In November of 1999, Congress enacted the Gramm-Leach-Bliley Act (GLBA). The GLBA requires certain financial institutions such as investment adviser firms, to protect the privacy of customer information. In situations where a financial institution does disclose customer information to nonaffiliated third parties other than permitted or required by law, customers must be given the opportunity to opt out or prevent such disclosure. BuildUp does not share or disclose customer information to nonaffiliated third parties except as permitted or required by law.

BuildUp is committed to safeguarding the confidential information of its clients. We hold all personal information provided by clients in the strictest confidence and it is the objective of our firm to protect the privacy of all clients. Except as permitted or required by law, we do not share confidential information about clients with nonaffiliated parties. In the event that there were to be a change in this policy, we will provide clients with written notice and clients will be provided an opportunity to direct our firm as to whether such disclosure is permissible.

To conduct regular business, BuildUp may collect personal information from sources such as:

- Information reported by the client on applications or other forms the client provides to our firm;
- Information about the client's transactions implemented by others; and
- Information developed as part of financial plans, analyses or investment advisory services.